

## **Hurricane Katrina's Effect on New Residential Construction Frequently Asked Question (FAQs)**

### **What is the effect of Hurricane Katrina on New Residential Construction's estimates of Building Permits and Housing Starts in September?**

The effect on National and regional estimates is minimal. Some local area estimates will be lower until the reconstruction efforts begin.

### **Has the reliability of New Residential Construction changed since Hurricane Katrina?**

No.

### **Are there any estimates that will be withheld or delayed because of data collection problems?**

No.

### **What estimation procedures are being modified to compensate for Hurricane Katrina effects?**

For building permit offices in the most devastated areas that we were unable to contact and did not report September data, we assumed no permits were issued.

For projects in the Survey of Construction that did not report for September, we assumed they have no change; they are treated as not started or under construction.

### **Did New Residential Construction modify the seasonal adjustment procedures for September?**

No. The review of the seasonal adjustment output and diagnostics did not indicate that adjustments to the options were necessary.

### **Does New Residential Construction produce estimates for the affected sample areas?**

Monthly state and local area estimates are available for building permit authorizations. September data will be released on October 27, 2005. Housing starts and completions are not available at the state or local level.

### **Did you change your analytical procedures in September?**

No.

### **How has the Census Bureau modified data collection procedures for New Residential Construction in affected areas?**

September data collection for building permits proceeded as normal; however, there was a small increase in the number of non-reporters in the affected areas.

Housing starts and completions are obtained from the Survey of Construction, a sample survey of new housing units from 900 permit jurisdictions and from a sample of land areas where permits are not required. Most of the areas significantly affected by Hurricane Katrina are not in the Survey of Construction sample, so there has been minimal impact on the data collection for housing starts and completions.

**What is New Residential Construction planning for future months to effectively capture the impact of Hurricane Katrina on New Residential Construction estimates over time?**

For the Building Permits Survey and the Survey of Construction, we will be closely monitoring our existing sample to ensure that we pick up accurate estimates of the reconstruction expected to take place. The Survey of Construction is used to determine the rates of start and completion of permits that have been issued. The survey assumes that the rates of start and completion in the sampled jurisdictions in each region are representative of the entire region. While new permits in most of the affected areas will not be surveyed to determine their rates of start and completion, they will be included in the starts and completions estimates because of their inclusion in the building permit estimates.

**Will completely rebuilt houses be counted as a new house being built?**

Yes. Following Hurricane Andrew in 1992, the definition of a new housing start was modified to include structures where the entire building was razed and a new house was built on the existing foundation. We will capture these only if the permits are issued for new construction and not as renovations. We plan to work with governments in the affected states to determine how permits will be issued for the units being rebuilt.

**Will manufactured homes placed in the area be counted as new residential construction?**

Manufactured (mobile) homes inspected by HUD at the factory (“HUD-code” homes) are not counted as new residential construction because permits from the local jurisdictions are not required to inspect the construction of the units. These units are counted separately in the Manufactured Housing Survey; data from that survey can be found at this link: <http://www.census.gov/const/www/mhsindex.html>. Modular homes without a HUD factory inspection require local building permits and are included in the new residential construction statistics.

**Do you have information on permits issued for renovations?**

We collect information on the value of permits issued for additions, alterations, and renovations. Local requirements for such permits vary greatly, so estimates are not tabulated by state or metropolitan area. Files of data for individual jurisdictions that report this information are available for purchase. We plan to work with governments in the affected states to determine how permits will be issued for the units being renovated.